

**SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE  
SUPPLEMENTAL RETIREMENT PLAN**

**Effective January 1, 2009**

---

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I	INTRODUCTION.....	1
ARTICLE II	ADMINISTRATION.....	1
Section 2.01.	Plan Administrator.....	1
Section 2.02.	Delegation of Responsibility.....	3
Section 2.03.	Requests for Information Concerning Eligibility, Participation and Contributions.....	3
Section 2.04.	Requests for Information Concerning Annuity Contracts and Custodial Accounts.....	3
Section 2.05.	Plan Expenses.....	3
ARTICLE III	ELIGIBILITY AND CONTRIBUTIONS.....	4
Section 3.01.	Eligibility.....	4
Section 3.02.	Enrollment in Plan.....	4
Section 3.03.	Participant Responsibilities.....	4
Section 3.04.	Participant Elective Deferrals.....	4
Section 3.05.	Cessation of Elective Deferrals.....	5
Section 3.06.	Roth Contributions.....	5
Section 3.07.	Protection of Persons Who Serve in a Uniformed Service.....	5
ARTICLE IV	CONTRIBUTION LIMITATIONS.....	6
Section 4.01.	Limitations on Elective Deferrals.....	6
Section 4.02.	Age 50 Catch-Up Elective Deferrals.....	6
Section 4.03.	Elective Deferral Catch-up Provision Coordination.....	6
Section 4.04.	Special Rule for a Participant Covered by Another Defined Contribution Plan.....	7
Section 4.05.	Correction of Excess Elective Deferrals.....	7
Section 4.06.	Annual Additions Limitation.....	7
Section 4.07.	Excess Annual Additions.....	8
ARTICLE V	VESTING.....	8
ARTICLE VI	DISTRIBUTIONS.....	8
Section 6.01.	Elective Deferral Distribution Restrictions.....	8
Section 6.02.	Death Benefits.....	9
Section 6.03.	Forms of Payment.....	9
Section 6.04.	Small Account Balances.....	9
Section 6.05.	In-Service Distributions from Rollover Contribution Account.....	9
Section 6.06.	Hardship Distributions.....	9
Section 6.07.	Minimum Required Distribution.....	11

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
ARTICLE VII	ROLLOVERS AND TRANSFERS ..... 11
Section 7.01.	Rollover Contributions to the Plan..... 11
Section 7.02.	Plan-to-Plan Transfers to the Plan..... 12
Section 7.03.	Rollover Distributions from the Plan. .... 12
Section 7.04.	Plan-to-Plan Transfers from the Plan. .... 13
Section 7.05.	Transfers to Purchase Service Credit. .... 13
ARTICLE VIII	LOANS ..... 14
Section 8.01.	Loans Generally ..... 14
Section 8.02.	Maximum Loan Amounts ..... 14
Section 8.03.	Loan Administration..... 14
Section 8.04.	Loans in Default ..... 15
Section 8.05.	Loan Repayments for Participants in Military Service ..... 15
ARTICLE IX	INVESTMENTS ..... 15
Section 9.01.	Manner of Investment ..... 15
Section 9.02.	Exclusive Benefit ..... 15
Section 9.03.	Investment of Contributions..... 15
Section 9.04.	Investment Changes ..... 15
Section 9.05.	Approved Vendors. .... 16
Section 9.06.	Former Vendors..... 16
ARTICLE X	PLAN AMENDMENT AND TERMINATION ..... 17
Section 10.01.	Plan Amendment..... 17
Section 10.02.	Termination of Contributions..... 17
Section 10.03.	Termination of Plan..... 17
ARTICLE XI	MISCELLANEOUS ..... 17
Section 11.01.	Non-Assignability ..... 17
Section 11.02.	Qualified Domestic Relations Order ..... 18
Section 11.03.	IRS Levy..... 18
Section 11.04.	Tax Withholding..... 18
Section 11.05.	Payments to Minors and Incompetents ..... 18
Section 11.06.	Mistaken Contributions ..... 18
Section 11.07.	Procedure When a Distributee Cannot be Located ..... 18
Section 11.08.	No University Liability ..... 19
Section 11.09.	Incorporation of Individual Agreements ..... 19
Section 11.10.	Governing Law..... 19
Section 11.11.	Headings..... 19
Section 11.12.	Gender ..... 19
Section 11.13.	Federal and State Taxes..... 19
Section 11.14.	Erroneous Payments ..... 19
Section 11.15.	Limitation on Rights and Obligations ..... 19
Section 11.16.	Counterparts ..... 20

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
ARTICLE XII      DEFINITIONS .....	20
Section 12.01.    Definitions .....	20
APPENDIX A      PLAN VENDORS .....	23

**SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE  
SUPPLEMENTAL RETIREMENT PLAN**

**ARTICLE I**

**INTRODUCTION**

Southern Illinois University Edwardsville ("University") is a public university established under Illinois law and an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"). The University maintains the Southern Illinois University Edwardsville Supplemental Retirement Plan ("Plan"), a voluntary defined contribution plan designed to have tax favored status under Code Section 403(b), in accordance with the policies and guidelines of the Southern Illinois University Board of Trustees ("Board"). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is, therefore, exempt from ERISA. Eligible Employees can voluntarily choose to make Pre-Tax Contributions and/or after-tax Roth Contributions to the Plan, which are invested as directed by the Participant in the Investment Options offered by the Vendor selected by that Participant. Both Annuity Contracts and Custodial Accounts are available under the Plan.

The Plan is now being restated effective January 1, 2009, except as otherwise indicated herein, to incorporate amendments to date, reflect administrative practices, update the Plan for compliance with the final Income Tax Regulations issued under Code Section 403(b), and make certain other desired changes.

**ARTICLE II**

**ADMINISTRATION**

**Section 2.01. Plan Administrator.**

(a) The University is the Plan Administrator and has all the powers and authority expressly conferred upon it herein and further shall have discretionary and final authority to determine all questions concerning eligibility and contributions under the Plan, to interpret and construe all terms of the Plan, including any uncertain terms, and to determine any disputes arising under and all questions concerning administration of the Plan. The University shall be the named fiduciary of the Plan, and is authorized to accept service of legal process.

(b) The Plan Administrator shall have such power and authority (including discretion with regard to the exercise of that power and authority) as may be necessary, advisable, desirable, or convenient to enable the Plan Administrator to carry out its duties under the Plan. By way of illustration and not limitation, the Plan Administrator is empowered and authorized:

(i) To make rules and regulations with respect to the Plan not inconsistent with the Plan or the Code, and to amend or rescind such rules and regulations;

(ii) To determine, consistently therewith, all questions of law or fact that may arise as to the eligibility, benefits, status and rights of any person claiming benefits or

rights under the Plan, including without limitation, Participants, former Participants; surviving spouses of Participants, Beneficiaries, Employees and former Employees;

(iii) To direct the Vendors to make payments to Participants, their Beneficiaries, and other persons as the Plan Administrator may determine pursuant to the terms of the Plan;

(iv) Subject to and consistent with the Code, to construe and interpret the Plan and to determine all questions of fact or law arising hereunder; and

(v) To correct any defects, supply any omissions, or reconcile any inconsistencies in the Plan to such extent as the Plan Administrator deems expedient.

(c) Any action by the Plan Administrator which is not found to be an abuse of discretion will be final, conclusive, and binding on all individuals affected thereby. The Plan Administrator may take any such action in such manner and to such extent as the Plan Administrator, in its sole discretion, may deem expedient.

(d) The Plan Administrator shall be responsible for administering the Plan according to its terms and consistent with the requirements under Code Section 403(b). These requirements include but are not limited to:

(i) Determining that all Eligible Employees receive annual notice of their right to participate in the Plan.

(ii) Maintaining a list of all approved Vendors and Investment Options offered under the Plan and verifying that these Vendors meet Board policies and University guidelines.

(iii) Determining that Elective Deferrals comply with the applicable Code limits.

(iv) Ensuring that contributions are submitted to the appropriate Vendors within a reasonable time, no longer than permitted by the Code.

(v) Determining that hardship withdrawals and loans comply with applicable requirements and limits, and that loans in default are properly accounted for as distributions.

(vi) Verifying that any transfers, rollovers, or purchases of service credit comply with applicable requirements and limits.

(vii) Maintaining necessary records for the administration of the Plan.

(viii) Determining the proper treatment and status of domestic relations orders.

(ix) Determining that the requirements of the Plan and Code Section 403(b) are properly applied and that amendments to the Plan are timely made and communicated to all affected parties.

**Section 2.02. Delegation of Responsibility.**

(a) The Plan Administrator may from time to time delegate in writing to a committee or duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary under the Plan until the Plan Administrator revokes such delegation. A delegation of the Plan Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Plan Administrator has under the Plan. The Plan Administrator shall not be liable for any act of omission of such fiduciary in carrying out such responsibilities. Any delegation shall be set forth in writing.

(b) The Plan Administrator has designated the Vendors to be responsible for providing information to Participants regarding enrollment, Investment Options, and performance; processing contributions, withdrawal requests, transfers, distributions, and changes in Investment Options; maintaining beneficiary designations; processing domestic relations orders, loans, and hardship distributions; and providing recordkeeping services and such other services as provided for under agreements between the Vendors and the University.

(c) The Plan Administrator may designate one of the Vendors or another service provider as third party administrator to provide for the collection and coordination of information relating to hardship withdrawals, loans, contribution limits, and any other administrative function under the Plan.

**Section 2.03. Requests for Information Concerning Eligibility, Participation and Contributions.** Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Plan Administrator. If a written request is denied, the Plan Administrator shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Plan Administrator and may submit issues and comments in writing to the Plan Administrator. The Plan Administrator shall provide to the Participant a written decision upon such request for review of a denied claim.

**Section 2.04. Requests for Information Concerning Annuity Contracts and Custodial Accounts.** Requests for information concerning the Annuity Contracts and Custodial Accounts and their terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims, and service of legal process, should be in writing and directed to the Vendor. If a written request is denied, the Vendor shall, within a reasonable period of time, provide a written denial to the Participant. A Participant may request in writing a review of a claim denied by the Vendor and may submit issues and comments in writing to the Vendor. The Vendor shall provide to the Participant a written decision upon such request for review of a denied claim.

**Section 2.05. Plan Expenses.** All reasonable expenses of administering the Accounts in the Plan will be charged against and paid from Participant Accounts.

## ARTICLE III

### ELIGIBILITY AND CONTRIBUTIONS

**Section 3.01. Eligibility.** Each Eligible Employee may elect to have Elective Deferrals made on his or her behalf to the Plan immediately upon becoming employed by the University.

**Section 3.02. Enrollment in Plan.** To participate in the Plan, an Eligible Employee must complete (i) the enrollment form(s) provided by the Vendor(s) selected by the Eligible Employee on which the Eligible Employee shall choose his or her Investment Options and designate a Beneficiary, and (ii) the University's Salary Reduction Agreement on which the Eligible Employee shall agree to be bound by all the terms and conditions of the Plan. The enrollment forms must be submitted to the Vendor, and both a copy of the enrollment forms and the Salary Reduction Agreement must be submitted to the Benefits Department in the Office of Human Resources. Once these forms are received by Benefits Staff, Elective Deferrals shall begin with the next payroll scheduled to be processed or as soon as administratively practicable thereafter.

**Section 3.03. Participant Responsibilities.** Each Eligible Employee shall provide to the Plan Administrator and the Vendor(s) at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Plan Administrator and Vendor(s) to administer the Plan, including any information required under the Individual Agreements.

**Section 3.04. Participant Elective Deferrals.**

(a) Each Eligible Employee who completes a Salary Reduction Agreement must designate a whole dollar amount to be withheld from his or her Compensation each pay period as a Pre-Tax Contribution or as a Roth Contribution. Withholdings shall be made in the same whole dollar amount each pay period. The Salary Reduction Agreement shall remain in effect until Elective Deferrals cease as provided under Section 3.05 or the Eligible Employee submits a new Salary Reduction Agreement.

(b) Elective Deferrals shall be submitted to the Vendor or Vendors selected by the Eligible Employee within fifteen days following the end of the month in which the amounts would have otherwise been paid to the Eligible Employee.

(c) Eligible Employees may select multiple Vendors to which to they may make Elective Deferrals. Eligible Employees must elect to make Elective Deferrals to a Vendor under the Plan of at least \$200 each calendar year. If an Eligible Employee's Compensation is insufficient to withhold the full elected amount for a pay period, no Elective Deferrals will be made for that pay period.

(d) Eligible Employees may enter into or terminate a Salary Reduction Agreement at any time. Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation elections, including a change in the amount of his or her Elective Deferrals, a change in his or her investment direction, or a change in his or her designated Beneficiary. A change in the amount of Elective Deferrals take effect with the next payroll scheduled to be processed after receipt of the new Salary Reduction Agreement. The



change in investment direction or Beneficiary designation will take effect when the election is accepted by the Vendor.

(e) Unless a Salary Reduction Agreement is otherwise revised, as long as a Participant is in a pay status, Elective Deferrals under the Plan shall continue to the extent that Compensation continues to be sufficient to support the full amount of the Elective Deferral.

**Section 3.05. Cessation of Elective Deferrals.** A Participant's Salary Reduction Agreement shall remain in effect until a new Salary Reduction Agreement is filed; provided, however, that Elective Deferrals shall cease with the next payroll scheduled to be processed following the occurrence of any of the following: (i) a Participant's Elective Deferrals to the Plan have reached or exceeded the annual Code limit, (ii) the Participant submits a completed Payroll Deduction Revocation, (iii) the Participant is no longer employed by the University, or (iv) the Plan is terminated or contributions to the Plan are discontinued.

**Section 3.06. Roth Contributions.**

(a) Effective as of the date of final administrative action necessary to implement Roth Contributions, the Plan will accept Roth Contributions made on behalf of Participants. Unless specifically stated otherwise, Roth Contributions shall be treated as Elective Deferrals for all purposes under the Plan.

(b) A Participant's Roth Contributions shall be allocated to a separate Account from Pre-Tax Contributions and the following rules apply:

(i) Contributions and withdrawals of Roth Contributions shall be credited and debited to the Roth Contribution Account maintained for each Participant.

(ii) The Plan shall maintain a record of the amount of Roth Contributions in each Participant's Roth Contributions Account.

(iii) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Contribution Account and the Participant's other Accounts under the Plan.

(iv) No contributions other than Roth Contributions and properly attributable earnings shall be credited to each Participant's Roth Contribution Account.

**Section 3.07. Protection of Persons Who Serve in a Uniformed Service.**

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 as amended ("USERRA"); effective January 1, 2009, the Heroes Earnings Assistance and Relief Tax Act of 2008; Code Section 414(u); and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) An Eligible Employee whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make additional Elective Deferrals upon resumption of employment with the University up to the maximum Elective Deferrals that the Eligible Employee could have elected during that period if the Eligible Employee's employment with the University had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Eligible Employee during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the period of the interruption or leave.

(c) Effective January 1, 2009, an Eligible Employee whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service and who receives a differential wage payment within the meaning of Code Section 414(u)(12)(D) from the University, shall be treated as an Eligible Employee of the University who is an Employee eligible to make Elective Deferrals during such service and the differential wage payment shall be treated as Compensation and Includible Compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

#### ARTICLE IV

#### CONTRIBUTION LIMITATIONS

**Section 4.01. Limitations on Elective Deferrals.** Except as provided in Sections 4.02 and 4.03, the maximum amount of Elective Deferrals contributed to the Plan for any calendar year shall not exceed the applicable dollar amount for the calendar year. The applicable dollar amount is the amount established under Code Section 402(g)(1)(B), which is \$16,500 for 2009, adjusted for cost-of-living thereafter to the extent provided under Code Section 402(g).

**Section 4.02. Age 50 Catch-Up Elective Deferrals.** A Participant who will attain age 50 or more by the end of the calendar year is permitted to contribute an additional amount of Elective Deferrals to the Plan in accordance with, and subject to the limitations of, Code Section 414(v). The maximum dollar amount of age 50 catch-up Elective Deferrals is \$5,500 for 2009, adjusted for cost-of-living thereafter to the extent provided under Code Section 414(v). Age 50 catch-up Elective Deferrals shall not be taken into account in applying the limitations of Code Sections 402(g) and 415.

**Section 4.03. Elective Deferral Catch-up Provision Coordination.** Elective Deferrals in excess of the limitation set forth in Section 4.01 shall be allowed only up to an amount equal to the age 50 catch-up Elective Deferrals limit under Section 4.02 and only for a Participant eligible under Section 4.02, and the special catch-up provided for under Code Section 402(g)(7) shall not apply. Notwithstanding the prior sentence, however, any Participant in the Plan who is utilizing the special catch-up provided for under Code Section 402(g)(7) on December 31, 2008, shall be permitted to continue to take advantage of this special catch-up until such time that it is fully utilized in accordance with Code Section 402(g)(7) and the regulations thereunder, in which event Elective Deferrals in excess of the limitation set forth in Section 4.01 shall be allocated first as a special catch-up Elective Deferral and next as an age 50 catch-up Elective Deferral under Section 4.02.

**Section 4.04. Special Rule for a Participant Covered by Another Defined Contribution Plan.** For purposes of this Article, if a Participant is or has been a participant in one or more other plans under Code Section 403(b) (and any other plan that permits elective deferrals under Code Section 402(g)), then this Plan and all such other plans shall be considered as one plan for purposes of applying the limitations in this Article. For this purposes, the Plan Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Plan Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

**Section 4.05. Correction of Excess Elective Deferrals.**

(a) If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above or the Elective Deferral on behalf of a Participant for any calendar year exceeds these limitations when combined with other amounts deferred by the Participant under another plan of the University under Code Section 403(b) (and any other plan that permits elective deferrals under Code Section 402(g) for which the Participant provides information that is accepted by the Plan Administrator), then the Elective Deferral in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto) shall be distributed to the Participant.

(b) If a Participant who made both Pre-Tax Contributions and Roth Contributions for a calendar year has excess amounts for that year, the excess amounts will be distributed from the Roth Contribution Account, unless the Individual Agreement provides otherwise and/or the Participant elects to instead have the excess distributed from the Pre-Tax Contribution Account.

**Section 4.06. Annual Additions Limitation.**

(a) Notwithstanding any provision of the Plan to the contrary, annual additions to the Plan and to any other 403(b) plan (or, if required by Code Section 415 and the Income Tax Regulations thereunder, to any other defined contribution plan) for a Participant will not exceed the limitation set forth in Code Section 415(c), except to the extent permitted under Code Section 414(v).

(b) The limitation on annual additions set forth in Code Section 415(c) for any calendar year is the lesser of:

(i) \$49,000 for 2009, adjusted for cost-of-living thereafter to the extent provided under Code Section 415(d); or

(ii) 100% of the Participant's Includible Compensation.

(c) For purposes of this Section 4.06, "annual addition" has the meaning provided in Code Section 415(c) as modified by Code Sections 415(l)(1) and 4149A(d)(2). In general, Code Section 415(c) defines the annual addition as the sum of the following amounts credited to a Participant's Accounts for any calendar year under this Plan and to any 403(b) plan (or, if required by Code Section 415 and the Income Tax Regulations thereunder, to any other defined contribution plan): (i) employer contributions, (ii) employee contributions, and (iii) forfeitures. Annual additions will not include: (i) any Elective Deferrals made by a Participant who is age 50 or older in accordance with and subject to, Code Section 414(v), (ii) excess Elective Deferrals

distributed in accordance with Income Tax Regulations Section 1.402(g)-1(e)(2), or (iii) Rollover Contributions. Annual additions will include:

(i) amounts allocated to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the University or a Related Employer, or both (as applicable); and

(ii) mandatory employee contributions to a defined benefit plan maintained by the University, unless the contributions are "picked-up" by the University pursuant to Code Section 414(h)(2).

**Section 4.07. Excess Annual Additions.** Excess annual additions will be allocated to an excess annual additions Account under the Annuity Contract or Custodial Account in accordance with Income Tax Regulations Sections 1.403(b)-3(b)(2) and 1.403(b)-4(f)(2) for the year of excess and each year thereafter. An excess annual addition due solely to aggregation with a Related Employer's plan shall be treated as an excess annual addition to that other plan; provided, however, that to the extent that an excess annual addition occurs due solely to aggregation with a Related Employer's qualified plan as set forth under Code Section 415(k)(4) of the Income Tax Regulations Section 1.415(f)-1(f), the excess annual addition will be treated as an excess annual addition to this Plan. The Participant will be liable for any excise taxes on his or her Account Balance pursuant to Code Section 4973.

## ARTICLE V

### VESTING

A Participant (or in the event of the Participant's death, the Beneficiary) will always be 100% Vested in his or her Account at all times.

## ARTICLE VI

### DISTRIBUTIONS

#### **Section 6.01. Elective Deferral Distribution Restrictions.**

(a) A Participant may request a distribution of his or her Elective Deferral Account at such time that the Participant has a Severance from Employment, dies, becomes Disabled, attains age 59½, or has a financial hardship as set forth in Section 6.05. To the extent that a distribution is being requested due to Severance from Employment, the University shall verify that the Participant has had a Severance from Employment.

(b) The distribution restrictions in Section 6.01(a) do not apply to Pre-Tax Contributions to the Plan prior to January 1, 1989 (not including earnings thereon) provided such Pre-Tax Contributions are separately accounted for under the Plan.

(c) Effective January 1, 2009, for purposes of this Section 6.01 only, a Participant shall be treated as having had a Severance from Employment during any period the Participant is performing service in the uniformed services described in Code Section 3401(h)(2)(A). Effective January 1, 2009, if a Participant performing service in the uniformed services described in Code Section 3401(h)(2)(A) receives a distribution under the Plan, the Participant may not

make Elective Deferrals to the Plan for the six month period beginning on the date of the distribution.

(d) Participants may elect to have either Roth Contributions or Pre-Tax Contributions distributed from the Plan first. Unless provided otherwise under the Individual Agreements, if the Participant fails to make an election, Pre-Tax Contributions shall be distributed from the Plan first.

(e) Distributions from a Roth Contribution Account shall be tax-free for Federal income tax purposes if they are Qualified Distributions. Distributions from a Roth Contribution Account that are not Qualified Distributions shall be subject to Federal income tax to the extent that the amount distributed exceeds the value of the Roth Contribution

(f) Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

**Section 6.02. Death Benefits.** If a Participant dies before the entire distribution of his or her Account has been made, his or her remaining Account, if any, will be distributed to his or her Beneficiary as soon as administratively feasible after the Participant's death, unless the Beneficiary elects a later payment date on the appropriate form as designated and furnished by the Vendor, subject to the minimum distribution requirements of Code Section 401(a)(9) and regulations thereunder. A Beneficiary may elect to receive the deceased Participant's Account under any payment option available under and subject to the terms and conditions of the Individual Agreements.

**Section 6.03. Forms of Payment.** A Participant may elect to receive his or her Account under any payment option available under the Annuity Contract or Custodial Account and subject to the terms and conditions of the Individual Agreements.

**Section 6.04. Small Account Balances.** The terms of the Individual Agreement may permit distributions to be made in the form of a lump sum payment without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$1,000 (determined without regard to any separate Account that holds Rollover Contributions).

**Section 6.05. In-Service Distributions from Rollover Contribution Account.** If a Participant has a separate Account attributable to Rollover Contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the Rollover Contribution Account.

**Section 6.06. Hardship Distributions.**

(a) Hardship distributions of Elective Deferrals (excluding any earnings on such Elective Deferrals after December 31, 1988) will be permitted under the Plan in accordance with the safe harbor rules under Income Tax Regulations Sections 1.401(k)-1(d)(3)(iii)(B) and 1.401(k)-1(d)(3)(iv)(E), but only to the extent (i) that the Vendor has been approved by the Plan Administrator to permit hardship distributions with respect to its Funding Vehicles and (ii)

permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship.

(b) A Participant who is a current Employee may withdraw all or part of his or her Elective Deferrals (not including earnings after December 31, 1988) as a hardship distribution if the Participant can adequately demonstrate an immediate and heavy financial need to the Plan Administrator in accordance with the provisions of this Section. A hardship withdrawal must be on account of an immediate and heavy financial need and may not exceed the amount necessary to meet that need, and must be necessary to satisfy the financial need and may not be satisfied from other resources reasonably available to the Participant.

(c) An immediate and heavy financial need shall be deemed to exist if the requested distribution meets one of the following:

(i) Expenses incurred or necessary for medical care that would be deductible under Code Section 213(d) without regard to whether the expenses exceed 7.5% of adjusted gross income. The expenses must be for the Participant, the Participant's spouse, the Participant's dependents (as defined in Code Section 152), or the Participant's primary Beneficiary.

(ii) The purchase of the Participant's principal residence (excluding mortgage or loan payments);

(iii) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Participant, the Participant's spouse or the Participant's dependents (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B)), or the Participant's primary Beneficiary;

(iv) Payments necessary to prevent the eviction of the Participant from his or her principal residence, or foreclosure of a mortgage on the Participant's principal residence;

(v) Payments for burial or funeral expenses for the Participant's deceased parent, spouse or dependents (as defined in Code Section 152 without regard to Code Section 152(d)(1)(B)), or the Participant's primary Beneficiary;

(vi) Expenses to repair damage to the Participant's principal residence that would qualify for the casualty loss deduction under Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income); or

(vii) Such other circumstances as the Commissioner of Internal Revenue determines constitutes financial hardship under Code Section 401(k) or the Income Tax Regulations thereunder.

(d) A hardship distribution shall be considered as necessary to satisfy an immediate and heavy financial need of the Participant only if:

(i) The distribution is not in excess of the amount of the immediate and heavy financial need (including amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution);

(ii) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans he or she is eligible for under all plans maintained by the University; and

(iii) All plans maintained by the University provide that the Participant's Elective Deferrals will be suspended for six months after the receipt of the hardship distribution. Participants are required to complete a new Salary Reduction Agreement in accordance with Section 3.01 following the end of the six month suspension.

(e) Hardship withdrawals shall be administered by the Plan Administrator in accordance with uniform and non-discriminatory standards applicable to all Participants. The Plan Administrator shall take such steps as may be appropriate to provide for the exchange of information among the University and the Vendors and/or the Former Vendors to the extent necessary to comply with the hardship rules, including the Vendor and/or Former Vendor notifying the University of the distribution in order for the University to implement the resulting six month suspension of the Participant's right to make Elective Deferrals under the Plan. The Plan Administrator may delegate this responsibility to a Vendor or to a third party administrator pursuant to Section 2.03 of the Plan.

(f) Participants may be charged a reasonable hardship withdrawal processing fee.

#### **Section 6.07. Minimum Required Distribution.**

(a) The Plan shall comply with the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder, as modified by the regulations under Code Section 403(b).

(b) For purposes of applying the distribution rules of Code Section 401(a)(9), each Individual Agreement is treated as an individual retirement account (IRA) and distributions will be made in accordance with the provisions of Income Tax Regulations Section 1.408-8, except as provided in Income Tax Regulations Section 1.403(b)-6(e). Notwithstanding the preceding sentence, each Vendor will separately comply with the minimum distribution requirements under Code Section 401(a)(9) and the regulations thereunder with respect to its Funding Vehicles under the Plan.

(c) The entire value of the Account of the Participant for whose benefit the Account is maintained will commence to be distributed no later than the first day of April following the later of (1) the calendar year in which such Participant attains age 70½ or (2) the calendar year in which the Participant retires from employment (the "required beginning date") over the life of such Participant or the lives of such Participant and his or her designated Beneficiary.

### **ARTICLE VII**

#### **ROLLOVERS AND TRANSFERS**

##### **Section 7.01. Rollover Contributions to the Plan.**

(a) To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an Eligible Rollover Distribution from another Eligible Retirement Plan may request to have all or a portion of the Eligible Rollover Distribution paid to the Plan. Such Rollover Contribution will be made in the form of cash only, not in-kind. The Vendor may require such documentation from the distributing Eligible Retirement Plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an Eligible Retirement Plan.

(b) The Plan will accept a Rollover Contribution to a Roth Contribution Account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c).

#### **Section 7.02. Plan-to-Plan Transfers to the Plan.**

(a) The Plan Administrator may permit a transfer of assets to the Plan as provided in this Section for an Employee who is a Participant in this Plan, and who is a participant or beneficiary in another plan under Code Section 403(b). Such a transfer is permitted only if the other plan provides for the direct transfer of the person's entire interest therein to the Plan. The Plan Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Plan Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Income Tax Regulations Section 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies Code Section 403(b).

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer less any applicable surrender or other charges.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Code Section 403(b), the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article IV.

#### **Section 7.03. Rollover Distributions from the Plan.**

(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an Eligible Rollover Distribution from the Plan may elect to have any portion of the Eligible Rollover Distribution paid directly to an Eligible Retirement Plan that accepts the Eligible Rollover Distribution in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse



of the Participant nor the spouse or former spouse of the Participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity that has been established on behalf of the Beneficiary as an inherited IRA within the meaning of Code Section 408(d)(3)(c).

(b) Each Vendor will be separately responsible for providing, within a reasonable time period before making an initial Eligible Rollover Distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(c) A direct rollover of a distribution from a Roth Contribution Account under the Plan will only be made to another Roth contribution account under an Eligible Retirement Plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

#### **Section 7.04. Plan-to-Plan Transfers from the Plan.**

(a) The Plan Administrator may permit a Participant or Beneficiary to elect to have all or any portion of his or her Account Balance transferred to another plan that satisfies Code Section 403(b) in accordance with Income Tax Regulations Section 1.403(b)-10(b)(3). A transfer is permitted under this Section only if the Participant or Beneficiary is an employee or former employee of the employer (or the business of the employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participant and Beneficiary and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Code Section 403(b), the other plan shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Plan Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan satisfies Code Section 403(b) and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Income Tax Regulations Section 1.403(b)-10(b)(3).

#### **Section 7.05. Transfers to Purchase Service Credit.**

(a) The purchase of permissive service credit is permitted under the Plan. If a Participant is also a Participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account

Balance, subject to the terms of the Individual Agreements, transferred to the defined governmental plan; provided, however, that no portion of the Participant's Account Balance attributable to Roth Contributions may be transferred under this Section. A transfer may be made before the Participant has had a Severance from Employment.

(b) A transfer under this Section may only be made if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

## ARTICLE VIII

### LOANS

**Section 8.01. Loans Generally.** Loans shall be permitted under the Plan in accordance with Code Section 72(p) to the extent (i) that the Vendor has been approved by the Plan Administrator to offer loans with respect to its Annuity Contracts and Custodial Accounts and (ii) permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. Loans shall be subject to separate loan procedures issued by the Vendor or a third party administrator.

**Section 8.02. Maximum Loan Amounts.** No loan to a Participant under the Plan may exceed the lesser of:

(a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Plan Administrator (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant's Vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Plan Administrator).

For purposes of this Section 8.02, any loan from any plan maintained by the University or a Related Employer will be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan will be considered a Vested interest under this Plan; provided, however, that the provisions of this paragraph will not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

**Section 8.03. Loan Administration.**

(a) Except as provided in paragraph (b), all loans shall be administered by the Vendor. Repayment (principal and interest) shall be amortized in level payments, not less frequently than quarterly, over a period not exceeding five years from the date of the loan (terms can range from one to five years). However, if the loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence

of the Participant, the amortization period shall not exceed 15 years from the date of the loan. The interest charged for the loan is determined by the Vendor who administers the loan.

(b) The Plan Administrator shall coordinate loan reporting in a centralized manner to ensure that Participants do not exceed the applicable loan limit. All Vendors will be required to report to the Plan Administrator the outstanding balance of any loans made to a Participant under the Plan, as well as the Participant's Account Balance. Before any new loan is approved, the Plan Administrator shall review the Participant's outstanding loan balance(s) and Account Balance.

(c) Loans shall not be permitted for Participants who are no longer Employees.

(d) Participants may be charged a reasonable loan processing fee.

**Section 8.04. Loans in Default.** Vendors shall report a defaulted loan as a premature distribution subject to a 10% penalty and applicable taxes. Participants who default on a loan under the Plan cannot take a future loan under the Plan with any Vendor until such loan is fully repaid to the Plan.

**Section 8.05. Loan Repayments for Participants in Military Service.** Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel may be suspended as permitted under Code Section 404(u)(4) and the terms of any loan shall be modified to conform to the requirements of USERRA.

## ARTICLE IX

### INVESTMENTS

**Section 9.01. Manner of Investment.** All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts.

**Section 9.02. Exclusive Benefit.** Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries.

**Section 9.03. Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the Investment Options available under the Annuity Contracts and/or Custodial Accounts, in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations in accordance with Section 9.04; provided, however, that transfers are not permitted between the Participant's Roth Contribution Account, Pre-Tax Contribution Account, and Rollover Contribution Account.

**Section 9.04. Investment Changes.** A Participant or Beneficiary is permitted to change the investment of his or her Account among the Investment Options available under the

Plan, subject to the terms of the Individual Agreements. An investment change that includes an investment with a Former Vendor or other vendor that is not eligible to receive contributions under the Plan is not permitted; provided, however, that a Participant who is an Employee is permitted to change the investment of his or her Account from an investment with a Former Vendor to an Investment Option with a current Vendor. A change of investment of a Participant's Account among the Vendors under the Plan (or from a Former Vendor to a current Vendor) must satisfy the conditions of this Section:

(a) the Participant or Beneficiary has an Account Balance immediately after the change that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the change (taking into account the Account Balance of that Participant or Beneficiary under both Annuity Contracts or Custodial Accounts immediately before the change), less any applicable surrender or other charges; and

(b) the Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being changed.

**Section 9.05. Approved Vendors.**

(a) The Plan Administrator shall maintain a list of approved Vendors under this Plan, which shall be reflected on Appendix A.

(b) Approved Vendors must meet Board policies and University guidelines to participate in the Plan. When and if a Vendor is removed as an approved Vendor due to failure to meet Board policies or University guidelines, the Plan Administrator may, but is not required to, approve another Vendor under this Plan.

(c) Each approved Vendor will sign an Information Sharing Agreement agreeing to share information with the Plan Administrator or its designee necessary to satisfy Code Section 403(b) and the underlying regulations. If a Vendor refuses to share necessary and/or required information, the Vendor will be immediately removed from the Plan and all contributions to that Vendor will cease. Participants contributing to that Vendor will be notified about the change and the reasons behind the change.

**Section 9.06. Former Vendors.** The University will make a good faith reasonable effort to enter into an Information Sharing Agreement with each Former Vendor to the extent that any existing agreement with that Former Vendor does not already provide for such information sharing on a continuing basis. The agreement will provide for mutual sharing of the following information:

(a) Information necessary for the resulting Annuity Contract or Custodial Account, or any other Annuity Contract or Custodial Account to which contributions have been made by the University, to satisfy Code Section 403(b), including the following: (i) the University providing information as to whether the Participant's employment with the University is continuing, and notifying the Former Vendor when the Participant has had a Severance from Employment (for purposes of the Plan benefit distribution restrictions); (ii) the Former Vendor notifying the University of any hardship distribution if the distribution results in a six month suspension of the Participant's right to make Elective Deferrals under the Plan; and (iii) the Former Vendor

providing information to the University or other Vendors or Former Vendors concerning the Participant's or Beneficiary's Annuity Contracts or Custodial Accounts (to enable a Vendor or Former Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the immediate and heavy financial need under the Plan's hardship distribution rules); and

(b) Information necessary in order for the resulting Annuity Contract or Custodial Account and any other Annuity Contract or Custodial Account to which contributions have been made for the Participant by the University to satisfy other tax requirements, including the following: (i) the amount of any Plan loan that is outstanding to the Participant in order for a Vendor or Former Vendor to determine whether an additional Plan loan satisfies the applicable loan limitations, so that any such additional loan is not a deemed distribution under Code Section 72(p)(1); and (ii) information concerning the Participant's or Beneficiary's after-tax employee contributions in order for a Vendor or Former Vendor to determine the extent to which a distribution is includible in gross income.

## ARTICLE X

### PLAN AMENDMENT AND TERMINATION

**Section 10.01. Plan Amendment.** The University may amend any part of this Plan at any time. No amendment shall reduce the accrued benefit of any Participant.

**Section 10.02. Termination of Contributions.** The University has no obligation or liability whatsoever to maintain this Plan for any length of time and may discontinue the Plan at any time without any liability hereunder for any such discontinuance.

**Section 10.03. Termination of Plan.** The University represents that the Plan is intended to be a continuing and ongoing retirement program for Participants, but reserves the right to terminate this Plan at any time. Upon termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts shall be distributed, provided that the University and any Related Employer on the date of termination do not make contributions to an alternative 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending twelve months after the distribution of all assets from the Plan, except as permitted by Income Tax Regulations. For purposes of distributing all accumulated benefits under the Plan in the event of Plan termination, delivery of a fully paid individual insurance annuity contract shall be treated as a distribution.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01. Non-Assignability.** Except as provided in Section 11.02 or 11.03, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interests are expressly declared to be non-assignable and non-transferable.

**Section 11.02. Qualified Domestic Relations Order.** Notwithstanding Section 11.01, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to 40 ILCS 5/1-119 and Section 503(b)(2) of the Illinois Marriage and Dissolution of Marriage Act ("a qualified Illinois domestic relations order" or "QILDRO"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the QILDRO. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan, but is subject to the terms of the Individual Agreements. The Vendor shall establish reasonable procedures for determining the status of any such decree or order as a QILDRO and for effectuating distribution pursuant to the QILDRO. A Participant may be charged a reasonable processing fee per domestic relations order.

**Section 11.03. IRS Levy.** The Vendor may pay from a Participant's Account Balance, or upon the Participant's death, the Beneficiary's Account Balance, the amount that the Plan Administrator or Vendor finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

**Section 11.04. Tax Withholding.** Elective Deferrals to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under Code Section 3121. Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including Code Section 3401 and the Employment Tax Regulations thereunder), except to the extent that is a Qualified Distribution. A payee shall provide such information as the Plan Administrator or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

**Section 11.05. Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, benefits will be paid to a court appointed guardian or in accordance with the terms of a court order. Such payments will be considered a payment to such Participant or Beneficiary and will, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

**Section 11.06. Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant, or the extent required or permitted by the Plan Administrator, to the University.

**Section 11.07. Procedure When a Distributee Cannot be Located.** The Vendor or Plan Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Beneficiary entitled to benefits under the Plan. If the Vendor or Plan Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Vendor shall continue to hold the benefits due such person, subject to any applicable state law.

**Section 11.08. No University Liability.** The University shall have no liability for the payment of benefits under the Plan provided that the Vendors of the Annuity Contracts and Custodial Accounts receive written direction for the payment of benefits in accordance with Article VI. Each Participant shall look solely to the Vendors for receipt of payments or benefits under the Plan.

**Section 11.09. Incorporation of Individual Agreements.** The Plan, together with the Individual Agreements, is intended to satisfy the requirements of Code Section 403(b) and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or Code Section 403(b).

**Section 11.10. Governing Law.** The Plan will be construed, administered and enforced according to the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Illinois without regard to conflict of law principles.

**Section 11.11. Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

**Section 11.12. Gender.** Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

**Section 11.13. Federal and State Taxes.** It is intended that contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, except to the extent that the contribution is a Roth Contribution. However, the Plan Administrator does not guarantee that any particular Federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

**Section 11.14. Erroneous Payments.** If the Vendor makes any payment that, according to the terms of the Plan and the benefits provided thereunder, should not have been made, the Vendor may recover that incorrect payment by whatever means necessary, whether or not it was made due to the error of the Plan Administrator or the Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Vendor may deduct it when making any future payments directly to that Participant.

**Section 11.15. Limitation on Rights and Obligations.** Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor the purchase of any Annuity Contract or Custodial Account, nor any act or omission under the Plan or resulting from the operation of the Plan will be construed:

(a) as conferring upon any Participant, Beneficiary, or any other person any right or claim against the University or the Plan Administrator, except to the extent that such right or claim will be specifically expressed and provided in the Plan;

(b) as creating any responsibility or liability of the University for the validity or effect of the Plan;

(c) as a contract or agreement between the University and any Participant or other person;

(d) as being consideration for, or an inducement or condition of, employment of any Participant or other person, or as affecting or restricting in any manner or to any extent whatsoever the rights or obligations of the University or any Participant or other person to continue or terminate the employment relationship at any time, except as otherwise provided under any applicable collective bargaining agreement; or

(e) as giving any Participant the right to be retained in the service of the University or to interfere with the right of the University to discharge any Participant or other person at any time; provided, however, that the foregoing will not be deemed to modify the provisions of any collective bargaining agreements which may have been entered into by the University with the bargaining representatives of any Participant.

**Section 11.16. Counterparts.** The Plan may be executed in any number of counterparts, each of which will be deemed to be an original. All counterparts will constitute but one and the same instrument and will be evidenced by any one counterpart.

## ARTICLE XII

### DEFINITIONS

**Section 12.01. Definitions.** The following words and terms, when used in the Plan, have the meaning set forth below:

(a) "**Account**" means the account maintained for the benefit of a Participant or Beneficiary under an Annuity Contract or a Custodial Account. A Vendor shall maintain a Pre-Tax Contribution Account, a Roth Contribution Account, and a Rollover Contribution Account, as applicable, on behalf of each Participant.

(b) "**Account Balance**" means the balance in all Accounts maintained for each Participant which reflects the aggregate amount credited to or debited from the Participant's Accounts, including the Participant's Elective Deferrals, Rollover Contributions, the earnings or losses of each Annuity Contract or Custodial Account allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account will be maintained for each Beneficiary after a Participant's death. A separate Account will be established for an alternate payee as defined in Code Section 414(p)(8).

(c) "**Annuity Contract**" means a nontransferable contract as defined in Code Section 403(b)(1) issued to a Participant by a Vendor both licensed as an insurance company and qualified to issue annuities in the State of Illinois.

(d) "**Beneficiary**" means the designated person or persons, institution, trustee, or estate entitled to receive benefits under the Plan after the death of a Participant. Unless otherwise provided in the Individual Agreements, in the event that there is no designated Beneficiary or the Beneficiary predeceases the Participant, the Participant's surviving spouse



shall be the Beneficiary, or if no surviving spouse, the Participant's estate shall be the Beneficiary. All Beneficiary records shall be maintained by the Vendors:

(e) "**Board**" means the University's Board of Trustees.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

(g) "**Compensation**" means all cash compensation to an Employee for services to the University, including salary, wages, fees, commissions, bonuses, overtime pay, and overload pay that is includible in the Employee's gross income on a Form W-2 for the Plan Year, plus amounts that would be cash compensation for services to the University includible in the Employee's gross income for the year but for a compensation reduction election under Code Section 125, 132(f), 401(a), 403(b), or 457(b). Compensation does not include University contributions to a retirement plan, payments by the University for medical, dental, and life insurance, severance pay, or amounts "picked-up" by the University within the meaning of Code Section 414(h). Compensation includes compensation received while on paid leave. Compensation also includes any compensation paid after the Employee's Severance from Employment, provided that it is paid by the later of 2 ½ months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment that is:

(i) a payment that would have been paid to the Employee prior to Severance from Employment if the Employee had continued in employment with the University, and that is Compensation described in this Section; and

(ii) a payment for unused accrued bona fide sick, vacation or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment and only if the Employee separately elects for such payment to be reduced on his or her Salary Reduction Agreement.

Notwithstanding the above, Compensation shall not exceed the limits under Code Section 401(a)(17).

(h) "**Custodial Account**" means the group or individual custodial account or accounts as defined in Code Section 403(b)(7), established by each Participant individually with a Vendor to hold Plan assets.

(i) "**Disabled**" has the meaning set forth in the applicable Individual Agreement that satisfies Code Section 72(m)(7).

(j) "**Elective Deferral**" means the University contributions made to the Plan at the voluntary election of the Participant in lieu of receiving cash compensation. Elective Deferrals may be Pre-Tax Contributions or post-tax Roth Contributions.

(k) "**Eligible Employee**" means any Employee of the University, but shall not include graduate assistants and students who are performing services exempt from FICA and described in Code Section 3121(b)(10).

(l) **"Eligible Retirement Plan"** means a qualified plan described in Code Section 401(a), an annuity plan described in Code Section 403(a), a contract described in Code Section 403(b), an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), or an eligible plan described in Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency of a state that satisfies Code Section 402(c)(8)(B).

(m) **"Eligible Rollover Distribution"** means any distribution of all or any portion of a Participant's benefit under the Plan or another Eligible Retirement Plan, as applicable, described in Code Section 402(c)(4), except that an Eligible Rollover Distribution does not include the following:

(i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a period of 10 years or more;

(ii) any distribution to the extent such distribution is required under Code Section 409(a)(9); or

(iii) any hardship distribution or distribution made as a result of an unforeseeable emergency.

(n) **"Employee"** means any common law employee of the University who receives Compensation from the University for performing services for the University. Notwithstanding any provision of this Plan to the contrary, any individual who is classified in good faith as an independent contractor by the University shall not be considered eligible under this Plan, regardless of whether such individual is later determined to be a common law employee of the University for tax purposes.

(o) **"Former Vendor"** means any provider that was approved by the University to offer annuity contracts or custodial accounts under the Plan, but that ceases to be eligible to receive new contributions under the Plan; provided, however, that a Former Vendor shall not include any provider that ceased to be eligible to receive new contributions under the Plan prior to January 1, 2005.

(p) **"Includible Compensation"** means an Employee's compensation received from the University that is includible in the Employee's gross income for Federal income tax purposes (computed without regard to Code Section 911) for the most recent period that is a year of service as defined in Income Tax Regulations Section 1.403(b)-4(e). Includible Compensation also includes any elective deferral or other amount contributed or deferred by the University at the election of the Employee that would be includible in gross income but for the rules of Code Section 403(b), 457(b), 125, 401(k), or 132(f). The amount of Includible Compensation is determined without regard to any community property laws. Includible Compensation does not include any amounts "picked-up" by the University within the meaning of Code Section 414(h). Includible Compensation also includes any compensation paid after the Employee's Severance from Employment, provided that it is paid by the later of 2 ½ months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment, that is:

(i) a payment that would have been paid to the Employee prior to Severance from Employment if the Employee had continued in employment with the University, and that is Compensation described in this Section; and

(ii) a payment for unused accrued bona fide sick, vacation or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment.

In addition, pursuant to Income Tax Regulations Section 1.415(c)-2(e)(4), Includible Compensation shall include payments made to an individual who does not currently perform services for the University by reason of qualified military service (as defined in Code Section 414(u)(5)) to the extent those payments do not exceed the amount the individual would have received if the individual had continued to perform services for the University rather than enter qualified military leave. Notwithstanding the above, Includible Compensation shall not exceed the limits under Code Section 401(a)(17).

(q) "**Individual Agreement**" means the agreement between a Vendor and the University or a Participant that constitutes or governs an Annuity Contract or a Custodial Account.

(r) "**Investment Options**" means the annuity contract choices and mutual fund options available for investing amounts held in Annuity Contracts or Custodial Accounts under the Plan.

(s) "**Participant**" means an Eligible Employee who has satisfied the eligibility requirements of Article III and for whom Elective Deferrals are currently being made under the Plan, a former Eligible Employee for whom Elective Deferrals have previously been made under the Plan and who has an Account Balance with a Vendor, or a Beneficiary.

(t) "**Plan**" means the Southern Illinois University Edwardsville 403(b) Retirement Plan, as amended from time to time.

(u) "**Plan Administrator**" means the University; provided, however, that to the extent that the University has delegated any of its responsibilities as Administrator to any other person or persons, including a third party administrator engaged by the University under separate written agreement, the term "Plan Administrator" will be deemed to refer to that person or persons.

(v) "**Plan Year**" means the calendar year.

(w) "**Pre-Tax Contribution**" means an Elective Deferral made to the Plan on a pre-tax basis.

(x) "**Qualified Distribution**" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year tax holding period and has attained age 59 ½, died, or become Disabled, in accordance with Code Section 402A(d). The "five year tax holding period" is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the

Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(y) **"Related Employer"** means the University and any other entity which is under common control with the University under Code Section 414(b), (c), or (m). For this purpose, the University will determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

(z) **"Rollover Contribution"** means an eligible rollover distribution that is contributed to the Plan in accordance with Section 7.01.

(aa) **"Roth Contribution"** means an Elective Deferral that (i) a Participant irrevocably designates on the Salary Reduction Agreement as a Roth Contribution in compliance with Code Section 402A, that is being made in lieu of all or a portion of the Pre-Tax Contributions the Participant is otherwise eligible to make under the Plan, (ii) is treated by the University as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such election. Roth Contributions are also held in a separate Account from Pre-Tax Contributions.

(bb) **"Severance from Employment"** means that the Employee ceases to be employed by the University and any Related Employer. A Severance from Employment occurs on any date on which an Employee ceases to be an Employee of the University even though he or she may continue to be employed by a Related Employer that is another unit of the State of local government that is not a public education institution.

(cc) **"University"** means the Southern Illinois University Edwardsville.

(dd) **"Vendor"** means a provider that has been approved to offer Annuity Contracts or Custodial Accounts under the Plan, as listed in Appendix A as amended from time to time in the Plan Administrator's sole discretion.

(ee) **"Vesting"** means the interest of the Participant in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

In Witness whereof, the University has caused this Plan to be executed this 23rd day of December 2009.


SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

By:

Title:

Print Name:

Date:

  
\_\_\_\_\_  
President, Southern Illinois University

Glenn Poshard

December 23, 2009

**SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE  
SUPPLEMENTAL RETIREMENT PLAN**

**APPENDIX A- PLAN VENDORS**

The purpose of this Appendix A is to set forth the approved Vendors, as well as the Former Vendors, under the Plan. This Appendix A may be amended from time to time; provided, however, that any changes to approved Vendors under the Plan shall be effective on the date that the Board or person with authority to approve Vendors approves such changes, and not on the date of the amended Appendix A.

**1.1. Current list of Approved Vendors.**

Vendors approved under the Plan as of January 1, 2009, to receive contributions

TIAA-CREF	AIG	Mass Mutual	ING
Ameriprise	AXA	Thrivent	Met Life

Notwithstanding the above, effective June 1, 2009, the Vendors approved under the Plan to receive contributions include only the following:

Vendor	Contract Type	Loans Offered	Hardships Permitted
TIAA-CREF	403(b)(1) and 403(b)(7)	yes	yes
Mass Mutual	403(b)(1)	yes	yes
ING	403(b)(1) and 403(b)(7)	yes	yes
AXA	403(b)(1) and 403(b)(7)	yes	yes

**1.2. Former Vendors:**

Former Vendors under the Plan include the following, all with contract type 403(b)(1) :

Former Vendor	Loans offered	Hardships Permitted	Former Vendor As Of
AIG	yes	yes	June 1, 2009
Ameriprise	yes	yes	June 1, 2009
Lincoln Financial	yes	yes	June 1, 2009
Met Life	yes	yes	June 1, 2009
Thrivent	no	yes	June 1, 2009
Chase	*	*	January 1, 2009
Fidelity	*	*	January 1, 2009
Nationwide	*	*	January 1, 2009
Northwestern Mutual Life	*	*	January 1, 2009
Resources Trust	*	*	January 1, 2009
Sun Life	*	*	January 1, 2009

\* Vendor did not sign an Information Sharing Agreement and available loan and/or hardship distribution options have not been confirmed. The Plan Administrator will assist participants with contacting former vendors if/when needed.

**1.3 Right to Add or Delete Vendors.** The current selection of Vendors is not intended to limit future additions or deletions of Vendors. The University reserves the right to add or delete Vendors at any time, in its sole discretion, subject to Board policy and University guidelines.

Dated this 23rd day of December, 2009.

I/2363415.4